UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT GREENEVILLE

FILED

2015 DEC -8 P 12: 43

U.S. DISTRICT COURT
EASTERN DIST. TENN.

UNITED STATES OF AMERICA	)	
	)	
v.	)	No. 2:14-CR-76
BRIAN C. ROSE AKA JOHN HANKINS,	)	
ROBERT MCGREGOR AKA JIM ROBINSON III,	)	
DALLAS MCRAE,	)	
HUGH SACKETT,	)	SUPERSEDING
JAMES ROBINSON,	)	INDICTMENT #2
BRENT LOVEALL,	)	
JASON SMITH,	)	
RAY SPEARS AKA BROCK HAMILTON,	)	
JENIFER KEY,	)	
THOMAS L. BERRY,	)	
JOHNNY D. PHILLIPS,	)	
And DAVID ROSE.	)	

SUPERSEDING INDICTMENT #2

The Grand Jury charges:

COUNT ONE

(Conspiracy to Commit Wire Fraud and Mail Fraud)

At all times material hereto:

A. Introduction

1. Defendant BRIAN C. ROSE aka JOHN HANKINS is an individual who resides in Johnson City, Tennessee and who owned and directly controlled businesses known as New Century Coal, Earth Energy Exploration, Five Star Developments, Source Rock Oil, Blue Gem Coal, Meadow Creek Mine, Whetstone Mine, Thacklight Mine, Pleasant Mountain Mine, Steel Hollow Mine, Urbacker Mine, Appalachian Energy Group LLC, Appalachian Fossil Fuels, Brian Rose Motorsports, Energy Group Funds, Inc., Future Happiness, Mining Industrial Supply, Majestic Grove LLC, Nav Vet Coal, Premier Mining Machinery, Red Bird Business, Nntramedia

LLC, Volt Resources, Unlimited Equine, Bluebird Trust, Kentucky Industrial Services, and Black Diamond Processing. Rose operated New Century Coal at locations in Johnson City, Tennessee, in the Eastern District of Tennessee.

2. Defendant ROBERT MCGREGOR aka JIM ROBINSON III is an individual who resides in Bowling Green, Kentucky.

3. Defendant DALLAS MCRAE is an individual who resides in Orlando, Florida.

4. Defendant HUGH SACKETT is an individual who resides in Anderson, South Carolina.

5. Defendant JAMES ROBINSON is an individual who resides in Perkin, Indiana.

6. Defendant BRENT LOVEALL is an individual who resides in Johnson City, Tennessee.

7. Defendant JASON SMITH is an individual who resides in Bowling Green, Kentucky.

8. Defendant RAY SPEARS aka BROCK HAMILTON is an individual who resides in Johnson City, Tennessee.

9. Defendant JENIFER KEY is an individual who resides in Louisville, Kentucky.

10. Defendant THOMAS BERRY is an individual who resides in Alvaton, Kentucky.

11. Defendant JOHNNY D. PHILLIPS is an individual who resides in Bowling Green, Kentucky.

12. Defendant DAVID ROSE is an individual who resides in Louisville, Kentucky.

13. The foregoing defendants conspired to commit wire fraud and mail fraud in violation of 18 U.S.C. § 1349 via the operation of a scheme which involved the sale of ownership interests in coal mining ventures.

B. The Conspiracy and Its Objects

From on or about January 1, 2011, to on or about June 10, 2014, in the Eastern District of Tennessee and elsewhere, the defendants,

BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE,
HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH,
RAY SPEARS, JENIFER KEY, THOMAS BERRY,
JOHNNY D. PHILLIPS, AND DAVID ROSE

did conspire to commit mail fraud and wire fraud, having devised or intending to devise a scheme and artifice to defraud and to obtain money or property by means of false and fraudulent pretenses, representations, or promises.

14. From about January 1, 2011 until on or about June 10, 2014, in the Eastern District of Tennessee and elsewhere, the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE obtained money and property from investors in New Century Coal by means of materially false and fraudulent pretenses, representations, and promises, as more particularly set forth herein.

Operation of the Investment Scheme

15. NEW CENTURY COAL marketed itself as an Issuer/Sponsor of Partnerships to individual investors for the purpose of placing investors in limited liability partnerships in distinct coal mine operations. NEW CENTURY COAL also marketed itself as the Partnership Mine Operator of each distinct coal mine. Each offering was limited to a small number of shares for a high investment, assigned to a distinct coal mine. For example, Steel Hollow Mine, LLP was offered in six units costing $250,000 each for a total ownership investment of $1.5 million.

16. As part of the scheme, NEW CENTURY COAL prepared and distributed via United States mail and private interstate carrier documents which included Private Placement Memoranda (purporting to disclose risks and hazards to potential investors), Investor Suitability Questionnaires (purporting to gauge investors' suitability for investment in the coal mines), a combined Turnkey Mining Development Agreement and Mine Operating Contract (purporting to provide assurance to the investor that s/he has invested in a coal mine which will soon produce coal), and a Subscription Agreement (purporting to give the investor an ownership interest in a viable coal mine and other valuable rights in the operation of the mine and oversight of the investment).

17. Defendant ROSE established an office for NEW CENTURY COAL at 1009 Lark Street in Johnson City, Tennessee. He staffed the scheme with individuals who targeted potential investor victims, made false and fraudulent representations to potential and existing investors, solicited sales of shares in New Century Coal and its various coal mines, and received funds exceeding $15 million from more than 160 investors who reside in multiple locations in the United States. Co-defendants ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENIFER KEY, JOHNNY D. PHILLIPS, and DAVID ROSE were some of the individuals that ROSE selected to staff and operate NEW CENTURY COAL and who conspired with ROSE to commit wire fraud and mail fraud.

18. NEW CENTURY COAL employed "fronters" who identified high income/high net worth individuals from lists provided by brokers, publicly available financial information, and from lists of victims of prior fraudulent financial schemes. Fronters called potential investors by telephone and explained that "Blue Gem Coal" is a high BTU (British Thermal Unit), low

sulphur and low ash coal which naturally occurs in two areas in North America, including certain geographic areas in Kentucky and Tennessee. New Century Coal fronters falsely told potential investors that New Century Coal was a successful coal company which is the largest "Blue Gem Coal" company in the United States. Fronters falsely told investors that New Century Coal would start mining operations in coal mines immediately after raising sufficient capital, expected in less than a year. Fronters falsely told investors the coal mines were "turnkey" operations, meaning they are ready to begin exploration and production of coal. Fronters falsely and fraudulently told investors they would receive quarterly payments amounting to 6% of their investment until New Century Coal began mining operations and they will receive 100% or better return on their investment in the first year of mining.

19. NEW CENTURY COAL employed "closers" who contacted interested investors via telephone after contact by the fronters. The closers provided additional false and fraudulent information about the mining operation, provided false and fraudulent answers to investor questions, and sent the investors the subscription documents needed to complete the investment via FEDEX, a commercial carrier in interstate commerce. The closers assisted the investors with completion of the documents and facilitated the transmission of investor funds to NEW CENTURY COAL at its office located at 1009 Lark Street in Johnson City, Tennessee. Most investor funds were sent to NEW CENTURY COAL by prepaid FEDEX envelope provided by NEW CENTURY COAL to the investor during the subscription agreement process.

False and Fraudulent Representations to Investors

20. Defendants BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH,

RAY SPEARS, THOMAS BERRY, AND JOHNNY D. PHILLIPS fraudulently obtained money from investors by falsely representing, among other things, that:

(a) JOHN HANKINS (an alias used by BRIAN C. ROSE), HUGH SACKETT, DALLAS MCRAE, and others involved in NEW CENTURY COAL had successfully produced coal and returned profits to investors in coal mine investments;

(b) NEW CENTURY COAL, its coal mine partners, and the defendants would devote most or all of the investment to producing coal;

(c) NEW CENTURY COAL was a successful mining company which was the largest producer of "Blue Gem" coal in the United States;

(d) NEW CENTURY COAL would pay each investor 6% return on investment until the coal mine began operation and would pay each investor 100% or better return on investment in the first year of mining;

(e) NEW CENTURY COAL would mail operating and production reports to the investors at least quarterly;

(f) NEW CENTURY COAL would provide investors timely and full information regarding the coal mining venture;

(g) NEW CENTURY COAL would maintain separate capital accounts for each investor;

(h) NEW CENTURY COAL would aggressively market produced coal and investors would receive a royalty of $4 per net ton of coal produced in addition to the return on capital from the investment.

21. The defendants falsely and fraudulently created ghost vendor companies with valid bank accounts to create the illusion that NEW CENTURY COAL actually explored, developed,

and mined coal and provided documents purportedly issued by the ghost vendor companies to investors.

22. The defendants falsely and fraudulently fabricated documents which falsely reported costs and expenses incurred in the exploration, development, and mining of coal and provided those documents to new and existing investors.

23. When no coal was produced and no funds were paid to investors, the defendants falsely fabricated rationales for the non-production and persuaded investors to swap their ownership interests for what the defendants represented was a different, more promising mine managed by NEW CENTURY COAL with the same or similar investment terms. The defendants falsely and fraudulently led such investors to believe that they received a valuable interest in a substitute coal mine which was expected to begin production in less than one year.

24. In some instances, potential investors requested additional information regarding the investment including, for example, financial statements, lists of mining expenses, proof of existence of the coal mines, and documentation of the existence of coal. In these instances, the defendants provided false and fraudulent information to the investor.

Diversion of Investor Funds

25. When the investor-signed subscription documents and investor funds were received by NEW CENTURY COAL, the closers sent the subscription documents to JENIFER KEY at her home in Louisville, Kentucky. KEY was financial officer for NEW CENTURY COAL and other entities controlled and owned by BRIAN C. ROSE and for funds controlled or owned by BRIAN C. ROSE. KEY completed the subscription documents, created Certificates of Ownership in NEW CENTURY COAL and the various coal mines, and sent copies of

documents to the investors via FEDEX and United States mails. KEY maintained investor files at her residence in Louisville, Kentucky.

26. When the investor funds were received by NEW CENTURY COAL, the funds were deposited in one of many bank accounts controlled by BRIAN C. ROSE. ROSE paid a commission amounting to 20% of the investment to the closer and directed JENIFER KEY and others regarding the distribution of the remaining investor funds.

27. BRIAN C. ROSE, acting through his co-defendants and others, diverted funds received from NEW CENTURY COAL investors to multiple entities which were represented to investors as legitimate vendors or suppliers to NEW CENTURY COAL. These entities included, but are not limited to, VOLT RESOURCES, which was controlled by BRIAN C. ROSE, JENIFER KEY, and THOMAS BERRY; RED BIRD BUSINESS, which was controlled by BRENT LOVEALL; BRIAN ROSE MOTOR SPORTS, which was controlled by BRIAN C. ROSE and JENIFER KEY; NAV VET COAL, which was controlled by BRIAN C. ROSE and JENNIFER KEY; PREMIER MINING MACHINERY, which was controlled by JENNIFER KEY and WILLIAM MORRIS to benefit BRIAN C. ROSE; ENERGY GROUP FUNDS, which was controlled by HUGH SACKETT; APPALACHIAN FOSSIL FUELS, which was controlled by RAY SPEARS; APPALACHIAN ENERGY GROUP, which was controlled by JENIFER KEY, ROBERT MCGREGOR, and BRIAN C. ROSE; UNLIMITED EQUINE and BLUEBIRD TRUST, which was controlled by THOMAS BERRY AND BRIAN C. ROSE; and KENTUCKY INDUSTRIAL SERVICES, BLACKSTONE, AND BLACK DIAMOND PROCESS, which was controlled by JOHNNY D. PHILLIPS. Investor funds which were deposited into these accounts were used for expenses unrelated to the exploration, development, or production of coal, including lavish gambling trips to Las Vegas, acquisition of thoroughbred horses and the

maintenance and training of such horses, the acquisition of racing cars, and the defendants' normal living expenses. A very small fraction of investor funds were devoted to expenses related to the exploration, development, or production of coal. The defendants often used the corporate entities interchangeably and observed few corporate formalities.

28. BRIAN C. ROSE and JENNIFER KEY established multiple bank accounts at different financial institutions and manipulated funds among the bank accounts in order to further the conspiracy and to conceal and disguise the nature, location, source, ownership, and control of the money obtained through their fraudulent activities. They diverted investor funds from an initial receiving account (usually in the name of NEW CENTURY COAL or a specific coal mine) to bank accounts controlled by the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, AND JOHNNY D. PHILLIPS.

29. The defendants falsely and fraudulently moved investor funds to bank accounts in the name of ghost vendor companies and diverted those funds to the personal benefit and use of BRIAN C. ROSE aka JOHN HANKINS.

30. The defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, AND JOHNNY D. PHILLIPS did not place investors' money into legitimate coal mining ventures or expenses, but instead diverted the investors' funds for:

(a) The personal use and benefit of the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT

LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY; THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE

(b) Payments to other associates of BRIAN C. ROSE and fraudulent investment schemes; and

(c) Monthly "return" and "profit" payments to earlier investors in order to

(i) lull the investors into a false sense of security about their investment,

(ii) encourage the investors to make additional future investments, and

(iii) use earlier investors to recruit additional investors and prevent adverse information about the investments from prematurely ending the scheme.

C. Overt Acts in Furtherance of the Conspiracy

In furtherance of the conspiracy and to effect the objects of the conspiracy, the defendants BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE committed or caused to be committed the following overt acts, among others, in the Eastern District of Tennessee and elsewhere.

31. In furtherance of the conspiracy and scheme, defendant ROSE created and operated a fraudulent investor scheme known as EARTH ENERGY EXPLORATION in the Commonwealth of Kentucky and the State of Indiana prior to the year 2011. After law enforcement authorities in those states began investigating EARTH ENERGY EXPLORATION, ROSE moved to Johnson City, Tennessee during 2011 in order to start a new fraudulent investor scheme known as NEW CENTURY COAL and to avoid detection by law enforcement authorities.

32. In furtherance of the conspiracy and scheme, BRIAN C. ROSE caused NEW CENTURY COAL to become a corporation organized under the laws of the State of Nevada in April 2011.

33. In furtherance of the conspiracy and scheme, BRIAN C. ROSE organized and directed the scheme to defraud, to include directing his co-defendants as follows:

a. ROBERT MCGREGOR AKA JAMES ROBINSON III interacted with investors and acted as a Closer for NEW CENTURY COAL.

b. DALLAS MCRAE interacted with investors and acted as the president of NEW CENTURY COAL and signed documents purportedly in his capacity as "president" of NEW CENTURY COAL.

c. HUGH SACKETT interacted with investors.

d. JAMES ROBINSON acted as the president of NEW CENTURY COAL at different times during the course of the conspiracy and purportedly signed documents and made statements in his capacity as "president" of NEW CENTURY COAL.

e. BRENT LOVEALL interacted with investors and was a closer for NEW CENTURY COAL.

f. JASON SMITH interacted with investors and engaged in false representations to investors which included assuming the false identity of a satisfied investor when queried by potential investors and disgruntled victims of NEW CENTURY COAL.

g. RAY SPEARS interacted with investors of NEW CENTURY COAL and maintained NEW CENTURY COAL'S communications system, including its website.

h. JENNIFER KEY acted as ROSE's financial controller and manager, with access and control over dozens of bank accounts related to NEW CENTURY COAL and BRIAN C. ROSE.

i. THOMAS BERRY interacted with investors of NEW CENTURY COAL, structured financial transactions to conceal BRIAN ROSE's diversion of investor funds, controlled ghost vendor bank accounts titled in the names of VOLT RESOURCES, UNLIMITED EQUINE, AND BLUEBIRD TRUST, and concealed BRIAN ROSE's ownership of assets purchased with the proceeds of the fraudulent scheme.

j. JOHNNY D. PHILLIPS interacted with NEW CENTURY COAL investors, pretending to be a legitimate purchaser of coal interested in coal output, controlled ghost vendor bank accounts titled in the names of KENTUCKY INDUSTRIAL SERVICES, BLACKSTONE, AND BLACK DIAMOND PROCESSING, and structured financial transactions to conceal BRIAN ROSE's diversion of investor funds.

k. DAVID ROSE drafted materially false documents which were provided to potential and actual NEW CENTURY COAL investors (including a Private Placement Memorandum and Executive Summary for Pleasant Mountain Mine), drafted a sham lease agreement between NEW CENTURY COAL and ghost vendor PREMIER MINING MACHINERY, created website and marketing materials for the successor scheme known as BLUE GEM GROUP, and provided advice to his co-defendants regarding the concealment of the fraud from law enforcement authorities including the Securities and Exchange Commission Enforcement Division.

34. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants provided investors a detailed technical and financial explanation of the costs associated with the exploration, development and production of coal which falsely led investors to believe that such acts occurred and such costs were incurred when very few such acts occurred.

35. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently provided investors federal income tax advice which lulled investors to believe that the return on investment was so high that the investor needed to engage in extensive tax planning in order to avoid a large federal income tax liability.

36. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented to investors that NEW CENTURY COAL would pay extensive costs associated with the exploration, development, and production of coal and retained a lien against all the investor's share of proceeds to recoup these costs.

37. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that NEW CENTURY COAL would sell coal on behalf of the Unit Holder/Investor on a competitive basis to third parties.

38. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that NEW CENTURY COAL would maintain accurate records relating to all phases of the mining operation and make them available to the Unit Holder/Investor upon thirty days notice by the investor.

39. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently promised to mail operating and production reports to the Unit Holders/Investors "not less often than quarterly."

40. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that NEW CENTURY COAL would retain qualified consulting professionals in the effort to explore, develop, and mine coal.

41. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that NEW CENTURY COAL "…is accountable to the Unit Holders/Investors as a fiduciary and consequently must exercise reasonable good faith and integrity in the handling of partnership affairs."

42. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that NEW CENTURY COAL would provide Unit Holders/Investors "timely and full information concerning matters affecting the business of the partnership…"

43. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented that "Each Unit Holder/Investor may inspect the books and records of the partnership at any time during normal business hours upon thirty (30) days' written notice."

44. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently represented NEW CENTURY COAL would provide each Unit Holder/Investor "…a copy of a statement of income or loss for the partnership and another statement showing the amounts allocated to or against such Unit Holder."

45. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants included a lengthy glossary of mining terms in the subscription documents, falsely and fraudulently lulling the investor to believe that NEW CENTURY COAL was proficient in the coal industry and to believe that NEW CENTURY COAL intended to actively engage in the exploration, development and mining of coal.

46. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently promised Unit Holders/Investors that NEW CENTURY COAL would maintain separate capital accounts for each Unit Holder/Investor.

47. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently promised Unit Holders/Investors that they would receive a royalty of $4 per net ton of coal produced, in addition to the return on capital from the investment.

48. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently provided certain Unit Holders/Investors with an appended "JOINT VENTURE AGREEMENT FOR PROCESSING FACILITY/WASHPLANT", which falsely purported to give those Unit Holders/Investors an additional source of revenue and property interest.

49. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 through June 10, 2014, the defendants falsely and fraudulently provided certain Unit Holders/Investors with an appended "STOCK OPTION AGREEMENT", which falsely purported to give those Unit Holders/Investors a valuable option to purchase additional shares in the scheme.

50. In furtherance of the conspiracy and scheme, BRIAN C. ROSE aka JOHN HANKINS, HUGH SACKETT, ROBERT MCGREGOR aka Jim Robinson III, DALLAS MCRAE, BRENT LOVEALL, RAY SPEARS aka BROCK HAMILTON, THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE made trips to Mountain Grove, Missouri in February 2012; multiple trips to London, Kentucky during 2012 and 2013; and trips to Asheville, North Carolina in October and December, 2013, and provided false and fraudulent information to investors in support of the scheme to defraud during those trips.

51. In furtherance of the conspiracy and scheme, from on or about January 1, 2011 to on or about June 10, 2014, RAY SPEARS aka BROCK HAMILTON maintained the website for NEW CENTURY COAL and issued and distributed investor newsletters, all of which contained false and fraudulent representations about the scheme.

52. In furtherance of the conspiracy and scheme, DALLAS MCRAE testified falsely while under oath at a deposition conducted by the United States Securities and Exchange Commission in Denver, Colorado on November 7, 2013.

53. In furtherance of the conspiracy and scheme, HUGH SACKETT testified falsely while under oath at a deposition conducted by the United States Securities and Exchange Commission in Denver, Colorado on April 24, 2014.

54. In furtherance of the conspiracy and scheme, ROBERT MCGREGOR aka JIM ROBINSON III, testified falsely while under oath at a deposition conducted by the United States Securities and Exchange Commission in Denver, Colorado on April 29, 2014.

55. In furtherance of the conspiracy and scheme, and to avoid detection by law enforcement, BRIAN C. ROSE engaged in activities related to the scheme to defraud using a false identity, to wit: JOHN HANKINS.

56. In furtherance of the conspiracy and scheme, and to avoid detection by law enforcement, RAY SPEARS legally changed his name to BROCK HAMILTON and used the name BROCK HAMILTON in his position at NEW CENTURY COAL.

57. In furtherance of the conspiracy and scheme, and to avoid detection by law enforcement, ROBERT MCGREGOR legally changed his name to JIM ROBINSON III and used the name JIM ROBINSON III in his position at NEW CENTURY COAL.

58. In furtherance of the conspiracy and scheme, on or about the dates listed in Counts Two through Forty below, the defendants BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE conducted financial transactions, that is, the transfer of funds by check and by wire transfer to investors which purported to be the payment of profits on their investments, involving the proceeds of the fraudulent scheme.

59. In furtherance of the conspiracy and scheme, from on or about March 1, 2014 and continuing to the present date, the defendants wound down the affairs of NEW CENTURY COAL and moved its office to 4156 Bristol Highway in Johnson City, Tennessee. At the same time, the defendants moved the assets and employees of NEW CENTURY COAL to a new Ponzi scheme named BLUE GEM GROUP and its offices at 306 Sunset Drive, Suite 103 and 104 in Johnson City, Tennessee.

60. In furtherance of the conspiracy and scheme, on or about the dates listed in Counts Two through Forty and Fifty-Four below, the defendants BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY

D. PHILLIPS, and DAVID ROSE conducted financial transactions, that is, the transfer of funds involving the proceeds of the fraudulent schemes, to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the fraudulent schemes,

all in violation of Title 18, United States Code §§ 1349, 1341, 1343, and 2.

MAIL FRAUD FORFEITURE ALLEGATION

1. The allegations contained in Count One of this Second Superseding Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Section 1341 set forth in this Second Superseding Indictment, the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, and DAVID ROSE shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to, the following:

REAL PROPERTY

(a) All that lot or parcel of land, together with all buildings, improvements, fixtures, attachments and easements, having a mailing address of **1820 Echo Trail, Louisville, Kentucky 40245,** located in Jefferson County, Kentucky, and further described as follows, to-wit:

Being 17, (16.05 Acres) as shown on Minor Subdivision Plat approved by the Louisville Metro Planning Commission on December 13, 2005, bearing Docket No. 263-05, attached to and made a part of Deed Book 8752, Page 630, in the Office of the Clerk of Jefferson County, Kentucky.

Tax I.D.: 199000200000

Being the same property conveyed by Deed entered into on the 7th day of July, 2008, by and between Marsha M. Allen and Brian C. Rose and Mary Rose and recorded in Deed Book 09256, Page 297, on July 11, 2008, in the Office of the Clerk of the Jefferson County Court as document number DN2008100362.

Defendant BRIAN C. ROSE has an interest in the real property.

(b) Net proceeds in the amount of $283,261.44 U.S. currency from the interlocutory sale of all that lot or parcel of land, together with all buildings, improvements, fixtures, attachments and easements, having a mailing address of **2504 Little Hills Lane, Louisville, Kentucky 40223,** located in Jefferson County, Kentucky, TAX ID: 171400030000.

Defendants BRIAN C. ROSE and WILLIAM HEATH MORRIS have an interest in the real property.

(c) All that lot or parcel of land, together with all buildings, improvements, fixtures, attachments and easements, having a mailing address of **175 Carters Landing, Johnson City, Tennessee 37601,** located in Washington County, Tennessee, and further described as follows, to-wit:

BEING all of Lot 4R as shown by Replat of Lots 1-5, Rivers Edge by Benchmark Designs, PLC, dated September 24, 2010 which replat is of record in the Register's Office for Washington County at Jonesborough, Tennessee in Plat Book 20, page 353 to which reference is here made for a more complete description of said lot.

There is further being conveyed herewith Boat Slip #8 as established in the Declarations of Covenants, Conditions, Rules and Regulations of Rivers Edge Marina Association which is of record in Roll Book 599, Image 706-764, Register's Office for Washington County, Tennessee and as amended in Roll Book 599, Image 2400 and as amended in Roll Book 600, Image 1337 in said Register's Office.

TAX INFORMATION: Tax Map 022B, Group D, Parcel 004.00.

Being the same property conveyed by Warranty Deed entered into on December 22, 2011, by and between Georgia Georgiou Schnell and Bluebird Trust and recorded in Roll 742, Image 1201, on December 27, 2011, in the Register of Deeds for Washington County, Tennessee. For future reference see Deed of Correction entered into on October 17, 2012 and recorded in Roll 777, Image 2228 on November 8, 2012, in the Register of Deeds for Washington County, Tennessee

Defendant BRIAN C. ROSE has an interest in the real property.

(d) All that lot or parcel of land, together with all buildings, improvements, fixtures, attachments and easements, being **Unit # 15326, Building # 7, at 15326 Royal Troon Avenue, Louisville, Kentucky 40245**, Jefferson County, and further described as follows, to-wit:

Condominium Unit #15326, Building #7, a condominium unit in Valhalla Vista Condominiums together with the garage limited common element G-2 and elevator limited common element E-2 as set forth in the Master Deed of record in Deed book 8796, Page 762 as amended by a First Amendment of record in Deed Book 9011, Page 671, and as shown on plans of record in Condominium Plat Book 113, Pages 81 through 84, inclusive, and Clerk's File #2199, as amended by a First Amendment of record in Condominium Plat Book 119, Pages 23 through 24, Clerk's File #2397, all of record in the Office of the Clerk of Jefferson County, Kentucky.

For further reference see Deed Book 10124, Page 0603 recorded on August 23, 2013 in the Office of the Clerk of Jefferson County, Kentucky.

Tax I.D.: 22382000075326.

Defendant Brent Loveall has an interest in the real property.

(e) All that lot or parcel of land, together with all buildings, improvements, fixtures, attachments and easements, having a mailing address of **400 Sunset Drive, Apartment # O-77, Johnson City, Tennessee,** in the 10th Civil District of Washington County, and further described as follows, to-wit:

Being Unit No. O-77, of the Johnson City Hermitage Manor Condominiums, as shown on a map of "Sixth Amendment," Johnson City Hermitage Manor Condominiums, of record in the Register's Office for Washington County, Tennessee at Jonesborough, in Plat Book 10, Page 33, together with the appurtenant percentage of undivided interest in the common elements set forth in the Sixth Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums, of record in said Register's Office in Deed Book 691 Page 557, (see also Master Deed for Johnson City Hermitage Manor Condominiums of record in said Register's Office in Deed Book 634 Page 104, and the First Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums of record in said Register's Office in Deed Book 645, Page 1, and the Second Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums, of record in said Register's Office in Miscellaneous Book 145

Page 673, and the Third Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums of record in said Register's Office in Deed Book 670 Page 641, and the Fourth Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums of record in said Register's Office in Book 683 Page 383, and the Fifth Amendment to the Declaration of the Johnson City Hermitage Manor Condominiums, of record in said Register's Office in Miscellaneous Book 163, Page 267.

AND BEING the same property conveyed to R. L. Wallen by deed dated the 16th day of March, 2007, from Autumn R. Stapleton (formerly known as Autumn R. Hamby) and husband, Michael Stapleton of record on Roll 545, Image 587, in the Register's Office of Washington County, Tennessee.

For further reference see Roll 780, Image 106 recorded on November 29, 2012 in the Washington County Register of Deeds.

Tax Assessor's Property ID No.: Map/Group 38P E, Parcel 10.12C, S/I 005.

Defendant Brent Loveall has an interest in the real property.

HORSES AND EQUIPMENT

(a) Net proceeds in the amount of $125,567.73 U.S. currency from the sale of Thoroughbred Horse, PURELY HOT, Tattoo number L35559, asset of BRIAN C. ROSE, and his nominees, operating under various names, including Unlimited Equine, LLC;

(b) Net proceeds in the amount of $48,235.25 U.S. currency representing the net sale proceeds of One Filly Thoroughbred, Miss Arrangement, Hip #230 (previously described as "Thoroughbred Horse, MISS ARRANGEMENT, Tattoo number O14164, asset of BRIAN C. ROSE, and their nominees, operating under various names, including Unlimited Equine, LLC).

(c) Net proceeds in the amount of $49,645.42 U.S. currency from the sale of Thoroughbred Horse, SILVERETTE, Tattoo number M08944, asset of BRIAN C. ROSE, and his nominees, operating under various names, including Unlimited Equine, LLC;

(d) Net proceeds in the amount of $440,781.86 U.S. currency from the sale of Thoroughbred Horse, STREET GIRL, Tattoo number N13776, asset of BRIAN C. ROSE, and his nominees, operating under various names, including Unlimited Equine, LLC; sold at auction on July 14, 2014;

(e) Any and all assets to include horses, farm and ranch equipment, and horse racing equipment under the control of BRIAN C. ROSE, operating under various names to include Unlimited Equine, LLC and his nominees.

BANK ACCOUNTS

(a) Approximately $65,973.35 in United States currency seized from Regions bank account x9225, in the name of Brian Rose Motor Sports, d/b/a Bluebird;

(b) Approximately $455.57 in United States currency seized from Regions bank account x9705, in the name of Nav Vet Coal;

(c) Approximately $5,156.27 in United States currency seized from Regions bank account x7277, in the name of Brian Rose Motor Sports;

(d) Approximately $923.01 in United States currency seized from Regions bank account x7056, in the name of Brian Rose Motor Sports; and

(e) Approximately $1,101.93 in United States currency seized from Regions bank account x7013, in the name of Unlimited Equine.

CASHIER'S CHECKS

(a) $300,000.00 U.S. currency in the form of Regions Bank cashier's check #5006233690 made payable to Norwest, seized at 609 Wesinpar Drive, Johnson City, Tennessee, on June 18, 2014, pursuant to a search and seizure warrant;

(b) $214,250.00 U.S. currency in the form of Capital Bank official check #312709 made payable to Norwest, seized at 609 Wesinpar Drive, Johnson City, Tennessee, on June 18, 2014, pursuant to a search and seizure warrant.

VEHICLES AND OTHER ASSETS

(a) 2007 Porsche 911 Turbo, orange in color, VIN WP0AD29967S784754, titled to Majestic Grove, LLC;

(b) 2001 Dodge Viper GTS Coupe, VIN 1B3ER69E41V701093, titled in the name of Majestic Grove, LLC;

(c) 2005 Chevrolet Corvette, orange in color, VIN 1G1YY34U555121247, titled in the name of Majestic Grove, LLC;

(d) 2008 Chrysler Town & Country Minivan, VIN 2A8HR64X28R661199, titled in the name of JEBF Holdings, LLC;

(e) 2006 Porsche Cayenne Turbo S, black in color, VIN WP1AC29P66LA92325, titled in the name of Red Bird Business, LLC;

(f) 2011 GMC Yukon Denali, black in color, VIN 1GKS2EEF5BR255341, titled in the name of JEBF Holdings, LLC;

(g) 2004 Lexus RX330, blue in color, VIN JTJHA31U140033689, titled in the name of Red Bird Business, LLC;

(h) Orange/black Harley Davidson motorcycle, VIN 1HD1FR41X7Y637000;

(i) Silver motorcycle, VIN RC410306150010221;

(j) White race car with "Keselowski" written above the driver's side door;

(k) Blue race car labeled #19;

(l) White MAC tools tool box;

(m) Lincoln Electric Power Mig, serial number U1110205573;

(n) Lincoln Electric Precision Tig 225, serial number U1100700826;

(o) White race car body;

(p) White rolling tool box;

(q) Competition trailer, VIN 1C9SS53284H473403;

(r) White race car body bearing the words "ARCA;"

(s) Baume & Mercier watch, numbered 3776250;

(t) Case XX knife with black case;

(u) Gold Rolex watch with green case;

(v) Three (3), Ten (10) Troy Ounce, .999F Gold Bars;

(w) Five (5), One (1) Ounce Gold Bars;

(x) Five (5), One-hundred (100) Troy Ounce, .999F Silver Bars;

(y) 10 boxes of sports memorabilia;

(z) Approximately $600.00 in United States currency;

(aa) $80,000.00 U.S. Currency held by JJ Scheckel Equipment for Premier Mining Machinery, a company owned by and under the control of BRIAN C. ROSE, seized pursuant to a seizure warrant executed on August 28, 2015;

(bb) Approximately $6,300.00 U.S. Currency seized from a 2008 Chrysler Town & Country Minivan, titled in the name of JEBF Holdings, LLC, owned and under the control of BRIAN C. ROSE;

(cc) Approximately $14,800.00 U.S. currency held by the Commonwealth of Kentucky, Energy and Environment Cabinet, Department of Natural Resources, seized from Nav-Vet Trucking, LLC, owned and under the control of BRIAN C. ROSE;

(dd) Mens Cartier Santos 100 watch;

(ee) Mens platinum ring with eight diamond chips;

(ff) Mens stainless steel ring;

(gg) Gold ingot; and

(hh) One white 2008 Dodge Ram, style 3500D, VIN #3D6WH48A586159458, registered in the name of Ken Laster Company, seized pursuant to a Search and Seizure Warrant executed at 609 Wesinpar Drive, Johnson City, Tennessee.

BILL AND COIN COLLECTION AND OTHER PRECIOUS METALS

1) $1,000 Bill, S/N: G00113736A
2) $1,000 Bill, S/N: F00029641A
3) $1,000 Bill, S/N: G00147668A
4) $1,000 Bill, S/N: A00037250A
5) $1,000 Bill, S/N: G00185273A
6) $1,000 Bill, S/N: G00046688A
7) $1,000 Bill, S/N: G00128493A
8) $1,000 Bill, S/N: H00044024A
9) $1,000 Bill, S/N: A00020684A
10) $1,000 Bill, S/N: G00120281A
11) $500 Bill, S/N: H00005349A
12) $500 Bill, S/N: J00056673A
13) $500 Bill, S/N: B00100365A
14) $500 Bill, S/N: E00062893A
15) $500 Bill, S/N: B00254025A
16) $500 Bill, S/N: L00152719A
17) $500 Bill, S/N: B00377884A

18) $500 Bill, S/N: G00302426A
19) $500 Bill, S/N: G00170353A
20) $500 Bill, S/N: J00027004A
21) $500 Bill, S/N: L00012894A
22) $500 Bill, S/N: H00051579A
23) $500 Bill, S/N: G00352553A
24) $500 Bill, S/N: F00076110A
25) $500 Bill, S/N: G00382572A
26) $500 Bill, S/N: G00341973A
27) $500 Bill, S/N: B00251646A
28) $500 Bill, S/N: E00012949A
29) $500 Bill, S/N: G00136473A
30) $500 Bill, S/N: H00047750A
31) $500 Bill, S/N: L00153128A
32) $500 Bill, S/N: F00001559A
33) $500 Bill, S/N: G00183340A
34) $500 Bill, S/N: G00300408A
35) $500 Bill, S/N: L00130948A
36) $500 Bill, S/N: G00259212A
37) $500 Bill, S/N: G00321255A
38) $500 Bill, S/N: J00068557A
39) $500 Bill, S/N: F00063027A
40) $1,000 Bill, S/N: G00279225A
41) $1,000 Bill, S/N: G00229406A
42) $1,000 Bill, S/N: G00217583A
43) $1,000 Bill, S/N: G00075458A
44) 1907 high relief $20 gold colored coin
45) Two 1/10 oz. American Eagle fine gold coins
46) 2.99 grams gold nuggets
47) Two $5 1992 Olympic Liberty coins
48) Two $5 1987 We the People Liberty coins
49) Two $5 Bicentennial Liberty coins
50) Two $5 1991 Mt. Rushmore Liberty coins.

MONEY JUDGMENT

A money judgment in the amount of $15,000,000 which represents the proceeds derived from the offenses of Title 18, United States Code, Section 1341, for which the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, and DAVID ROSE shall be jointly and severally liable.

If any of the property described above, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

COUNTS TWO through SEVEN

(Brian C. Rose - Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about July 1, 2012 to on or about August 31, 2012, defendant BRIAN C. ROSE devised and intended to devise a scheme to defraud JG, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that BRIAN C. ROSE, his agents and employees falsely represented to JG that JG had purchased an ownership interest in Whetstone Mine and that his investment would be used to produce coal.

4. It was part of the scheme that BRIAN C. ROSE, his agents and employees received $202,000 from JG through check paid by JG.

5. It was part of the scheme that BRIAN C. ROSE directed his agents and employees to deposit JG'S $202,000 check in a Regions Bank account in the name of WHETSTONE MINE on July 19, 2012.

6. It was part of the scheme that BRIAN C. ROSE caused the sum of $100,000 to be transferred from the Whetstone Mine account to a Regions Bank account in the name of NEW CENTURY COAL on July 31, 2012.

7. It was part of the scheme that BRIAN C. ROSE caused the additional sum of $100,000 to be transferred from the Whetstone Mine account to a Capital Bank account in the name of VOLT RESOURCES on July 31, 2012.

8. It was part of the scheme that BRIAN C. ROSE controlled the account titled VOLT RESOURCES for his personal benefit and purposes. On August 8, 2012, BRIAN C. ROSE caused the sum of $40,000 to be transferred from the VOLT RESOURCES account to PREMIER EXOTICS AUTO, which was used for the personal benefit and purposes of BRIAN C. ROSE.

9. It was part of the scheme that BRIAN C. ROSE withdrew $5,000 in cash from the VOLT RESOURCES account on August 10, 2012.

10. It was part of the scheme that BRIAN C. ROSE withdrew $500 in cash from the VOLT RESOURCES account on August 14, 2012.

11. It was part of the scheme that BRIAN C. ROSE caused $15,000 to be transferred from the VOLT RESOURCES account to an account titled in the name of BRIAN C. ROSE at Wells Fargo Bank on August 31, 2012.

12. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant BRIAN C. ROSE, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Two	July 31, 2012	$100,000
Three	July 31, 2012	$100,000
Four	August 8, 2012	$40,000
Five	August 10, 2012	$5,000
Six	August 14, 2012	$500
Seven	August 31, 2012	$15,000

COUNTS EIGHT through TEN

(Robert S. McGregor – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about March 7, 2013 to on or about August 1, 2013, defendant ROBERT S. MCGREGOR devised and intended to devise a scheme to defraud JP, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that ROBERT S. MCGREGOR falsely represented to JP that JP had purchased an ownership interest in a coal mine and that his investment would be used to produce coal.

4. It was part of the scheme that ROBERT S. MCGREGOR received $2,000,000 from JP by wire transfer on March 7, 2013 to a Capital Bank New Century Coal account.

5. It was part of the scheme that ROBERT S. MCGREGOR directed others to transfer $50,000 from the Capital Bank New Century Coal Account to establish a new account at Regions Bank in the name of APPALACHIAN ENERGY GROUP on March 11, 2013.

6. It was part of the scheme that on May 31, 2013, ROBERT S. MCGREGOR caused the sum of $9,958 to be transferred from the APPALACHIAN ENERGY GROUP account at Regions Bank to Swope Nissan via a wire transfer of funds.

7. It was part of the scheme that, from March 11, 2013 through August 1, 2013, ROBERT S. MCGREGOR caused additional sums totaling $40,000 to be transferred from the APPALACHIAN ENERGY GROUP account at Regions Bank for the personal use and benefit of ROBERT S. MCGREGOR, by wire transfers.

8. It was part of the scheme that ROBERT S. MCGREGOR controlled the account in the name of APPALACHIAN ENERGY GROUP for his personal benefit and purposes.

9. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant ROBERT S. MCGREGOR, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred

Eight	March 11, 2013	$50,000
Nine	May 31, 2013	$9,958
Ten	August 1, 2013	$40,000

COUNTS ELEVEN through TWENTY-TWO

(Dallas McRae – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about March 7, 2013 to on or about August 1, 2013, defendant DALLAS MCRAE devised and intended to devise a scheme to defraud JP, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that DALLAS MCRAE falsely represented to JP that JP had purchased an ownership interest in a coal mine and that his investment would be used to produce coal.

4. It was part of the scheme that NEW CENTURY COAL received $2,000,000 from JP by wire transfer on March 7, 2013 in the Capital Bank New Century Coal Account.

5. It was part of the scheme that from March 18, 2013 through May 13, 2013,DALLAS MCRAE caused the sum of $33,500 to be transferred from the Capital Bank New Century Coal account to DALLAS MCRAE by a series of twelve checks made payable to DALLAS MCRAE.

7. The foregoing twelve checks were negotiated and funds were transferred on March 18, 20, 21, 25; April 3, 12, 15, 28, and 23; and May 8, and 13, 2013.

8. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant DALLAS MCRAE, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Eleven	March 18, 2013	$3,000
Twelve	March 20, 2013	$3,000
Thirteen	March 21, 2013	$3,000
Fourteen	March 25, 2013	$3,000
Fifteen	April 3, 2013	$3,000
Sixteen	April 12, 2013	$3,000
Seventeen	April 15, 2013	$3,000
Eighteen	April 23, 2013	$5,000
Nineteen	April 28, 2013	$3,000
Twenty	May 8, 2013	$1,500
Twenty-One	May 13, 2013	$1,500
Twenty-Two	May 13, 2013	$1,500

COUNTS TWENTY-THREE through TWENTY-EIGHT

(Hugh Sackett – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about March 5, 2012 to on or about June 1, 2012, defendant HUGH SACKETT devised and intended to devise a scheme to defraud JG, PM, WG, and CH and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that HUGH SACKETT falsely represented to JG, PM, WG, and CH that they had each purchased an ownership interest in a coal mine and that each investment would be used to produce coal.

4. It was part of the scheme that on March 15, 2012, JG sent the sum of $34,500 by wire transfer to a Meadow Creek Mine account at Regions Bank.

5. It was part of the scheme that on March 20, 2012, PM sent the sum of $69,000 by wire transfer to the same Meadow Creek Mine account at Regions Bank.

6. It was part of the scheme that on March 21, 2012, WG sent $69,000 by wire transfer to the same Meadow Creek Mine account at Regions Bank.

7. It was part of the scheme that on March 21, 2012, CH sent $69,000 by wire transfer to the same Meadow Creek Mine account at Regions Bank.

8. It was part of the scheme that HUGH SACKETT directed others to transfer $200,000 from the Meadow Creek Mine account at Regions Bank to a NEW CENTURY COAL account at Regions Bank on April 16, 2012.

9. It was part of the scheme that on April 26, 2012, HUGH SACKETT directed others to transfer $4,500 from the NEW CENTURY COAL account at Regions Bank to a bank account in the name of ENERGY GROUP FUNDS at Regions Bank.

10. It was part of the scheme that HUGH SACKETT controlled the Regions Bank account in the name of ENERGY GROUP FUNDS for his personal benefit and purposes.

11. It was part of the scheme that on May 7, 2012, HUGH SACKETT directed others to transfer $7,000 from the NEW CENTURY COAL account at Regions Bank to the ENERGY GROUP FUNDS account at Regions Bank.

12. It was part of the scheme that on May 11, 2012, CH sent $69,000 by wire transfer to the same Meadow Creek Mine account at Regions Bank.

13. It was part of the scheme that on May 15, 2012, JG sent $65,000 via wire transfer to the same Meadow Creek Mine account at Regions Bank.

14. It was part of the scheme that on May 23, 2012, HUGH SACKETT directed others to transfer $100,000 from the Meadow Creek Mine account to the NEW CENTURY COAL account at Regions Bank.

15. It was part of the scheme that on May 23, 2012, HUGH SACKETT directed others to transfer $4,811 from the NEW CENTURY COAL account at Regions Bank to the ENERGY GROUP FUNDS account at Regions Bank.

16. It was part of the scheme that on May 23, 2012, HUGH SACKETT directed others to transfer $4,000 from the NEW CENTURY COAL account at Regions Bank to the Energy Group Funds account at Regions Bank.

17. It was part of the scheme that from March 15, 2012 through June 1, 2012, HUGH SACKETT withdrew and expended funds from the ENERGY GROUP FUNDS account at

Regions Bank for his personal benefit and uses, including cash withdrawals, automated teller machine transactions, debit card transactions, and electronic bill payment transactions.

18. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant HUGH SACKETT, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Twenty-Three	April 16, 2012	$200,000
Twenty-Four	April 26, 2012	$4,500
Twenty-Five	May 7, 2012	$7,000
Twenty-Six	May 23, 2012	$100,000
Twenty-Seven	May 23, 2012	$4,811
Twenty-Eight	May 23, 2012	$4,000

COUNTS TWENTY-NINE through THIRTY-ONE

(James Robinson – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about March 27, 2013 to on or about April 17, 2013, defendant JAMES ROBINSON devised and intended to devise a scheme to defraud JP, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that JAMES ROBINSON falsely represented to JP that JP had purchased an ownership interest in a coal mine and that JP's investment would be used to produce coal.

4. It was part of the scheme that NEW CENTURY COAL received $2,000,000 from JP by wire transfer on March 7, 2013 in the Capital Bank New Century Coal Account.

5. It was part of the scheme that from March 27, 2013 through April 17, 2013, JAMES ROBINSON caused the sum of $4,500 to be transferred from the Capital Bank New Century Coal account to JAMES ROBINSON by a series of three checks made payable to JAMES ROBINSON.

7. The foregoing three checks were negotiated and funds were transferred on March 27, and April 17, 2013.

8. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant JAMES ROBINSON, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Twenty-Nine	March 27, 2013	$1,500
Thirty	March 27, 2013	$1,500
Thirty-One	April 17, 2013	$1,500

COUNT THIRTY-TWO

(Brent Loveall - Wire Fraud in violation of 18 U.S.C. §1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about October 16, 2013 to on or about March 6, 2014, defendant BRENT LOVEALL devised and intended to devise a scheme to defraud an undercover law enforcement agent using the name "Dave Frotter", and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that on October 16, 2013, defendant BRENT LOVEALL engaged in a telephone call in interstate commerce to "Dave Frotter" and solicited Frotter's interest in purchasing an interest in New Century Coal.

4. It was part of the scheme that on November 22, 2013, defendant BRENT LOVEALL placed a telephone call in interstate commerce to "Dave Frotter" and provided Frotter the name and contact information for what BRENT LOVEALL described as a satisfied investor in NEW CENTURY COAL.

5. It was part of the scheme that on December 5, 2013, "Dave Frotter" paid $10,000 to purchase an interest in NEW CENTURY COAL as a result of the efforts of BRENT LOVEALL and others.

6. On each of the foregoing dates, in the Eastern District of Tennessee and elsewhere, defendant BRENT LOVEALL, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

COUNTS THIRTY-THREE through THIRTY-SIX

(Ray Spears – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about March 7, 2013 to on or about August 1, 2013, defendant RAY SPEARS devised and intended to devise a scheme to defraud JP, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that RAY SPEARS falsely represented to JP that JP had purchased an ownership interest in a coal mine and that his investment would be used to produce coal.

4. It was part of the scheme that, on March 7, 2013, JP sent the sum of $2,000,000 by wire transfer to a Capital Bank New Century Coal Account.

5. It was part of the scheme that RAY SPEARS directed others to transfer $50,000 from the Capital Bank New Century Coal account to an account at Regions Bank in the name of MINING INDUSTRIAL SUPPLY (APPALACHIAN FOSSIL FUELS) on March 11, 2013.

6. It was part of the scheme that RAY SPEARS controlled the Regions Bank account in the name of MINING INDUSTRIAL SUPPLY (APPALACHIAN FOSSIL FUELS)

7. It was part of the scheme that, on April 5, 2013, RAY SPEARS transferred the sum of $1,532 from the Mining Industrial Supply (Appalachian Fossil Fuels) bank account through a debit card transaction to Caesar's Hotel in Las Vegas, Nevada.

8. It was part of the scheme that, on May 9, 2013, RAY SPEARS withdrew $7,000 from the Appalachian Fossil Fuels bank account at Caesar's Palace gaming casino in Las Vegas, Nevada through an internet banking transaction.

9. It was part of the scheme that, on May 9, 2013, RAY SPEARS withdrew an additional $4,000 from the Appalachian Fossil Fuels bank account through an internet banking transaction.

10. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant RAY SPEARS, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Thirty-Three	March 11, 2013	$50,000
Thirty-Four	April 5, 2013	$1,532
Thirty-Five	May 9, 2013	$7,000
Thirty-Six	May 9, 2013	$4,000

COUNTS THIRTY-SEVEN through FORTY

(Jennifer Key – Wire Fraud in violation of 18 U.S.C. § 1343)

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference as setting forth the scheme and artifice to defraud and obtain money and property by false and fraudulent pretenses, representations, and pretenses.

2. From on or about January 20, 2012 to on or about August 1, 2013, defendant JENNIFER KEY devised and intended to devise a scheme to defraud BP and MP, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that agents and employees of NEW CENTURY COAL falsely represented to BP and MP that BP and MP had purchased an ownership interest in a coal mine and that their investment would be used to produce coal.

4. It was part of the scheme that, on January 20, 2012, BP sent the sum of $120,000 and MP sent the sum of $320,000 via wire transfers to a Regions Bank account titled in the name of Thacklight Mine LLP.

5. It was part of the scheme that, on February 3, 2012, JENNIFER KEY caused the transfer of $25,000 by wire transfer from the Thacklight Mine bank account to a Regions Bank account titled in the name of NEW CENTURY COAL.

6. It was part of the scheme that, on February 6, 2012, JENNIFER KEY caused the transfer of $25,000 by wire transfer from the Thacklight Mine bank account to the Regions Bank account titled in the name of NEW CENTURY COAL.

7. It was part of the scheme that, on February 3, 2012, JENNIFER KEY caused the transfer of $20,000 by wire transfer from the Thacklight Mine bank account to the Regions Bank account titled in the name of NEW CENTURY COAL.

8. It was part of the scheme that, on February 6, 2012, JENNIFER KEY caused the transfer of $2,500 via wire transfer from the NEW CENTURY COAL account to an account in the name of JENNIFER KEY and caused the transfer of $20,000 to an account at the Banker's Bank of Kentucky.

9. It was part of the scheme that JENNIFER KEY controlled the foregoing bank accounts for her personal benefit and purposes and for the personal benefit and purposes of BRIAN C. ROSE.

10. On or about the following dates, in the Eastern District of Tennessee and elsewhere, defendant JENIFER KEY, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, the transfer by wire of funds, all in violation of 18 U.S.C. § 1343.

Count Number	Date of Signal Transmission	Amount of Funds Transferred
Thirty-Seven	February 3, 2012	$25,000
Thirty-Eight	February 3, 2012	$20,000
Thirty-Nine	February 6, 2012	$25,000
Forty	February 6, 2012	$2,500

WIRE FRAUD FORFEITURE ALLEGATION

1. The allegations contained in Counts One through Forty and Count Fifty-Four of this Superseding Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Section 1343 set forth in this Superseding Indictment, the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, RAY SPEARS, JENNIFER KEY, and THOMAS BERRY, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but

is not limited to, the real and personal property listed in Count One, above, and an additional money judgment as follows:

MONEY JUDGMENT

> A money judgment in the amount of $15,000,000 which represents the proceeds derived from the offenses of Title 18, United States Code, Section 1343, for which the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, RAY SPEARS, JENNIFER KEY, and THOMAS BERRY shall be jointly and severally liable.

If any of the property described above, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

COUNT FORTY-ONE

(Conspiring to Launder Monetary Instruments in violation of 18 U.S.C. § 1956(h))

From on or about January 1, 2011, to on or about May 31, 2014, in the Eastern District of Tennessee and elsewhere, the defendants,

BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE,
HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH,
RAY SPEARS, JENNIFER KEY, THOMAS BERRY,

JOHNNY D. PHILLIPS, AND DAVID ROSE

did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956 and Section 1957, to wit:

(a) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activities, that is, wire fraud and mail fraud, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code § 1956(a)(1)(B)(i); and

(b) to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code § 1957.

MANNER and MEANS

The manner and means used to accomplish the objectives of the conspiracy included, among others, the following.

1. The allegations set forth in Count One, paragraphs One through Sixty are incorporated herein by reference

2. When investor funds were received by NEW CENTURY COAL, the funds were deposited in one of many bank accounts controlled by BRIAN C. ROSE. ROSE directed JENIFER KEY and others regarding the distribution of investor funds.

3. BRIAN C. ROSE, acting through the defendants and others, diverted funds received from NEW CENTURY COAL investors to multiple entities which were represented to investors as legitimate vendors or suppliers to NEW CENTURY COAL. These entities included, but were not limited to, VOLT RESOURCES, which was controlled by BRIAN C. ROSE, JENIFER KEY, and THOMAS BERRY; RED BIRD BUSINESS, which was controlled by BRENT LOVEALL; BRIAN ROSE MOTOR SPORTS, which was controlled by BRIAN C. ROSE and JENIFER KEY; NAV VET COAL, which was controlled by BRIAN C. ROSE and JENNIFER KEY; PREMIER MINING MACHINERY, which was controlled by JENNIFER KEY and WILLIAM MORRIS to benefit BRIAN C. ROSE; ENERGY GROUP FUNDS, which was controlled by HUGH SACKETT; APPALACHIAN FOSSIL FUELS, which was controlled by RAY SPEARS; APPALACHIAN ENERGY GROUP, which was controlled by JENIFER KEY, ROBERT MCGREGOR, and BRIAN C. ROSE; UNLIMITED EQUINE and BLUEBIRD TRUST, which were controlled by THOMAS BERRY AND BRIAN C. ROSE; KENTUCKY INDUSTRIAL SERVICES, BLACKSTONE, HIGHLAND RESOURCES, LLC, AND BLACK DIAMOND PROCESSING, which were controlled by JOHNNY D. PHILLIPS AND BRIAN C. ROSE. Investor funds which were deposited into these accounts were used for expenses unrelated to the exploration, development, or production of coal, including lavish gambling trips to Las Vegas, acquisition of thoroughbred horses and the maintenance and training of such horses, the acquisition of racing cars, and the defendants' normal living expenses. A very small fraction of investor funds were devoted to legitimate expenses related to the exploration,

development, or production of coal. The defendants often used the corporate entities interchangeably and observed few corporate formalities.

4. BRIAN C. ROSE and JENNIFER KEY established multiple bank accounts at different financial institutions and manipulated funds among the bank accounts in order to further the conspiracy and to conceal and disguise the nature, location, source, ownership, and control of the money obtained through their fraudulent activities. They diverted investor funds from an initial receiving account (usually in the name of NEW CENTURY COAL or a specific coal mine) to bank accounts controlled by the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, AND DAVID ROSE.

5. NEW CENTURY COAL falsely and fraudulently moved investor funds to bank accounts in the name of ghost vendor companies and diverted those funds to the personal benefit and use of the defendants.

All in violation of Title 18, United States Code, Section 1956(h).

MONEY LAUNDERING FORFEITURE ALLEGATION

1. The allegations contained in Count Forty-One of this Superseding Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1956(h) and/or 1957, as set forth in this Superseding Indictment, the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY,

THOMAS BERRY, JOHNNY D. PHILLIPS, and DAVID ROSE, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, and any property traceable to such property. The property to be forfeited includes, but is not limited to, the real and personal property described in Count One, above and an additional money judgment, as follows:

MONEY JUDGMENT

A money judgment in the amount of $15,000,000 which represents the funds involved in financial transactions conducted in violation of 18 U.S.C. § 1956(h), for which the defendants, BRIAN C. ROSE, ROBERT MCGREGOR, DALLAS MCRAE, HUGH SACKETT, JAMES ROBINSON, BRENT LOVEALL, JASON SMITH, RAY SPEARS, JENNIFER KEY, THOMAS BERRY, JOHNNY D. PHILLIPS, and DAVID ROSE, shall be jointly and severally liable.

COUNTS FORTY-TWO THROUGH FIFTY-SEVEN

(Johnny D. Phillips –Concealment Money Laundering in Violation of 18 U.S.C. § 1956(a)(1)(B)(i))

From on or about September 23, 2011 through on or about October 21, 2013, in the Eastern District of Tennessee and elsewhere, the defendant JOHNNY D. PHILLIPS, did knowingly conduct and attempt to conduct the following financial transactions affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. § 1343 and mail fraud in violation of 18 U.S.C. § 1341, knowing that the transaction was designed in whole and in part to conceal and disguise, the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

In violation of 18 U.S.C. § 18 U.S.C. § 1956(a)(1)(B)(i).

COUNT	AMOUNT	TRANSACTION
FORTY-TWO	$2,500	September 23, 2011 NCC Account Ending in 9624, Check Number 1019
FORTY-THREE	$1,800	October 21, 2011 NCC Account Ending in 9624, Check Number 1086
FORTY-FOUR	$2,000	October 24, 2011 NCC Account Ending in 9624, Check Number 1117
FORTY-FIVE	$1,000	December 5, 2011 NCC Account Ending in 9624, Check Number 1218
FORTY-SIX	$1,000	December 16, 2011 NCC Account Ending in 9624, Check Number 1253
FORTY-SEVEN	$7,500	January 18, 2012 NCC Account Ending in 9624, Check Number 1341 payable to Highland Resources
FORTY-EIGHT	$1,000	February 7, 2012 NCC Account Ending in 9624, Check Number 1423
FORTY-NINE	$2,000	March 9, 2012 NCC Account Ending in 9624, Check Number 1549
FIFTY	$2,500	March 29, 2012 NCC Account Ending in 9624, Check Number 1597
FIFTY-ONE	$5,000	May 2, 2012 NCC Account Ending in 9624, Check Number 1720 payable to Highland Resources, LLC
FIFTY-TWO	$1,700	June 5, 2012 NCC Account Ending in 9624, Check Number 1794 payable to Highland Resources, LLC
FIFTY-THREE	$3,250	October 10, 2012 NCC Account ending in 6912, Check Number 2237
FIFTY-FOUR	$2,000	December 16, 2012 NCC Account ending in 6912, check Number 2463
FIFTY-FIVE	$5,000	March 11, 2013 NCC Account ending in 6912, Check

		Number 2530
FIFTY-SIX	$3,250	October 10, 2012 NCC Account ending in 4906, Check Number 2237
FIFTY-SEVEN	$2,000	December 16, 2012 NCC Account ending in 4906, Check Number 2463

COUNT FIFTY-EIGHT

(Johnny D. Phillips – Monetary Transaction Greater Than $10,000 in Violation of 18 U.S.C. § 1957)

On or about October 21, 2013, in the Eastern District of Tennessee and elsewhere, defendant JOHNNY D. PHILLIPS, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, that is a deposit of $15,000 from New Century Coal bank account ending in 3806 Check Number 1262, such property having been derived from specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. § 1343 and mail fraud in violation of 18 U.S.C. § 1341.

In violation of 18 U.S.C. § 1957.

COUNT FIFTY-NINE

(Johnny D. Phillips – Monetary Transaction Greater Than $10,000 in Violation of 18 U.S.C. § 1957)

On or about August 5, 2011, in the Eastern District of Tennessee and elsewhere, defendant JOHNNY D. PHILLIPS, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, that is, transfer and exchange of $50,000 in United States currency, funds, and monetary instruments, such property having been derived from a specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. § 1343 and mail fraud in violation of 18 U.S.C. § 1341.

In violation of 18 U.S.C. § 1957.

A TRUE BILL:

[redacted]

FOREPERSON

NANCY STALLARD HARR
Acting United States Attorney

By: Helen Smith
HELEN C.T. SMITH
Assistant United States Attorney